

WASHINGTON, DC – Congressman Steny H. Hoyer (D-MD) today participated in a roundtable discussion about how the President's plan to cut Social Security benefits will affect working families in Maryland's 5th Congressional District. Rep. Hoyer invited representatives from Chambers of Commerce and other business organizations from Maryland to join him for this discussion.

[Congressman Hoyer today unveiled a report, that was prepared at his request, that analyzes the impact of President Bush's Social Security plan on working families in Maryland's 5th Congressional District](#) . Following are Congressman Hoyer's remarks as prepared for delivery:

"I appreciate the opportunity to speak to leaders in Maryland's business community about the importance of strengthening and modernizing Social Security. I have held town hall meetings throughout my District, to answer questions about the President's proposals to privatize Social Security and cut benefits for the middle-class.

"First I would like to talk to you about how the Republican focus on privatization and middle class benefit cuts would hit the middle class with a one-two punch. First, with deep benefit cuts and second, by exchanging a guaranteed benefit with a gamble.

"Recent polls reveal that the public opposes the President's benefit cut proposal by 56% - yet the President continues to pursue his proposal to privatize Social Security and cut middle class benefits rather than seek a bipartisan solution. It is clear that Social Security faces a financing problem, but the American people rightly understand that private accounts do nothing to solve this problem. They want to strengthen Social Security, not sabotage it.

"I believe that the successful bipartisan effort undertaken by President Reagan and Speaker O'Neill in 1983 is a model that all of us should strive to emulate today to ensure Social Security solvency and strengthen opportunities for people to save for major life events and their retirement security.

"I wanted to hold this meeting with you today, as leaders in Maryland's business community, to have a dialogue with you about the importance of the Social Security issue – and make clear that I understand that Maryland businesses have an interest in Congress dealing with the issue.

"I also want to make clear that Democrats are opposed to individual private accounts within Social Security because they do nothing to address the problem of solvency and would add to the crippling debt this Administration's irresponsible fiscal policies are piling on our children and grandchildren.

"But also, that Democrats are not necessarily opposed to private investment as a means to enhance your workers' retirement security. In fact, I would support giving the Social Security Trustees the authority to invest a percentage of the Social Security Trust Fund surplus in equities or bonds that produce a higher return than Treasury notes.

"I want to make sure you knew about the impact that the President's plans, and the proposals being introduced in the Congress, could have on our community. That is why I wanted to bring the information in this recent report to your attention.

"I applaud companies that offer 401(k)s and other retirement systems for their employees, but we must recognize that the decline in the offering of defined benefit pensions has already increased the personal risk on workers. We need to work with you to improve, strengthen – and simplify these plans.

"Add to that the fact that most companies that offer retiree health benefits are either dropping or cutting back on those benefits. To me, that argues even more that Congress should strengthen Social Security in its current form.

"Republicans should drop their misguided focus on creating private accounts within Social Security and work with us in a bipartisan way to solve Social Security's challenges."

Congressman Hoyer released a report entitled *The Impact of President Bush's Social Security Proposal in Maryland's 5th Congressional District* prepared by the Committee on Government Reform Minority staff which finds that the majority of wage earners in the district will face steep benefit cuts under the President's plan.

Specifically the report finds:

- The President's plan would cut benefits by over \$21 billion for over 240,000 wage earners in the 5th district 80% of whom earn between \$30,000 and \$90,000 annually.
- The average benefit cut would be \$2,580 per year.
- The President's plan could also cut benefits for over 14,000 surviving spouses and children in the fifth district.

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